

Quick Facts:

Total # of Florida claimants: **164, 632**

Total # of claimants paid to date: **68,431**

Total # claimants pending payment: **96,201**

\$\$ Paid to Florida claimants to date: \$ 1,346,991,676

Want to File a Claim?

Visit the <u>GCCF Website</u> to file a claim online or track a previously filed claim.

Deepwater Horizon Oil Spill

Background:

The Deepwater Horizon oil spill, also known as the BP or Gulf of Mexico oil spill, occurred on April 20, 2010, as a result of an explosion that destroyed an offshore drilling rig approximately 130 miles southeast of New Orleans. The explosion killed 11 workers on the rig and spilled an estimated 4.1 million barrels of crude oil into the Gulf of Mexico over 86 days.

The incident triggered the largest oil spill response in U.S. history. BP, the company identified as the responsible party, was charged with undertaking clean-up efforts overseen by the U.S. Coast Guard. The spill resulted in oil reaching the shores of several states in the Gulf Coast area, including Florida. The environmental and economic impacts of this incident continue to be researched.

Gulf Coast Claims Facility Actions:

In order to settle claims as fairly and quickly as possible, BP and the Federal Government established the Gulf Coast Claims Facility (GCCF) to compensate those who have suffered damages resulting from the spill. Mr. Kenneth Feinberg was selected to administer the process claims through the GCCF. Payments made by the GCCF would come from an escrow account created by BP, to which BP agreed to contribute \$20 billion over the next four years. The GCCF opened on August 23, 2010. The GCCF published a draft version of their claims process for public review which was available February 2-16, 2011.

Under the current claims process, those wishing to file a claim have several options for receiving compensation from BP:

<u>Voluntary Quick Payment Final Claim</u>- These are claims for those who have already received aid from BP's Emergency Advanced Payment program. Quick Payment claims are an automatic payment which compensate individuals \$5,000 and businesses \$25,000. After receiving a quick payment claim, claimants are not entitled to make any additional claims toward oil spill damages.

<u>Voluntary Full Review Final Claim</u>- These claims are for those seeking compensation for documented damages as well as projected future damages caused by the spill. Those filing a full review final claim will receive an amount equal to two times the amount of their documented damages. The projected damages are calculated based on projections that state claimants will suffer 70 percent of their 2010 damages in 2011, and 30 percent in 2012, with all oil spill related damages ceasing by 2013. Those who receive a full review final claim are not entitled to make any additional claims toward oil spill damages.

<u>Voluntary Interim Payment Claim</u>- These claims are for those seeking compensation for documented damages who wish to wait to receive compensation for future damages from the spill. Claimants can file an interim claim once every calendar year quarter until the claims process ends on



Which Types of Claims Can Be Processed by the GCCF?

- Removal and Clean Up Costs;
- Damages to Real or Personal Property;
- Lost Earnings or Profits;
- Loss of Subsistence Use of Natural Resources;
- Physical Injury or Death.

Click <u>here</u> for the complete reports of the legislative work groups that investigated the impact of the oil spill.

*Facts and information generated by the Gulf Coast Claims Facility Florida Status Report.

August 22, 2013. Those who have filed interim claims are eligible to file other interim claims or final claims at a later date.

Criticism of GCCF Claims Procedures:

While the GCCF was created to expedite compensation for damage caused by the oil spill, disgruntled claimants and critics have raised concerns over several aspects of BP's Claim's Process.

One concern is that the formula for calculating future damages is based on projections that Gulf Coast residents will not experience significant spill related damages after 2012. While these projections come from independent studies outside of BP, critics argue that two years is too conservative an estimate, citing the Exxon Valdez oil spill which occurred in 1989, the repercussions from which are still being felt in some areas.

Another issue is that payments for future damages are calculated based on documented damages from April 20^{th,} 2010, until December 31st, 2010. Many businesses believe that calculations within these dates underestimate the true value of their damages because the early months of the year tend to be the most profitable for many industries.

The GCCF has invited claimants with concerns regarding the processing of future damages to file interim claims, which only compensate for documented damages, as damages from the spill arise.

Legislative Response:

Former House Speaker Larry Cretul established six working groups to study the immediate and ongoing impacts of the spill and recommend solutions based on their findings. Of the six groups, one was assigned to analyze the scope of private sector damages and the methods BP has taken to compensate individuals and business that were affected by the spill.

After evaluating the damages caused by the spill, the legislative workgroup recommended continued government oversight of the BP claims process. They also advised that state agencies impacted by the spill should make relevant information known to private industries. In addition they advocated for reexamining the fairness of state laws in providing remedies for disasters like the oil spill for claimants who choose to take legal action outside of the BP claims process.

Over the last few months, several members of the Florida House of Representatives have received complaints from constituents regarding breakdowns and inconsistencies within the claims process. As a result of these issues and given the proximity to the beginning of the 2011 Legislation Session, Speaker Dean Cannon directed the Economic Affairs Committee to conduct a review of the private compensation process, inviting all Members who represent areas impacted by the spill to participate in the committee's investigation. As a component of this investigation, Kenneth Feinberg will testify before the Economic Affairs Committee on February 18, 2011.